

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY
1979 S. State Street
Dover, DE 19901

Pursuant to 29 Del. Code 10004, the Board of Directors of the Delaware Manufactured Home Relocation Authority shall convene a Board Meeting on **January 19, 2023**, commencing at **1:30 P.M.** at 1979 S. State Street, Dover, DE

Minutes of the January 19, 2023 Board Meeting

IN-ATTENDANCE:

Authority: Mitch Crane
William Dunn
Andy Strine
George Meldrum
Richard Hrycyshyn
Patrick Malone (Non-Voting Member)

Gregory Sutton (Executive Director)
Jane Sabo (Assistant to the Executive Director)

Legal Counsel: Melissa Rhoads

Other: Jen Allen, FSMHA

I. Call to Order – 1:30 P.M.

Mr. Crane called the meeting to order at 1:32 p.m. He announced that the normal agenda will be modified to allow for an executive session. The agenda will be followed for items one through six, then there will be a break to hold the executive session to discuss two matters. After the executive session, the public meeting will re-convene.

II. Approve Hiring of Gregg Sutton as Executive Director

Mr. Sutton has returned to DEMHRA. A motion was made and seconded to approve hiring Mr. Sutton, effective January 1, 2023. The motion carried 5:0.

III. Review and Approval of Minutes:

A motion was made and seconded to approve the truncated December 8, 2022 minutes. The motion carried 5:0. The minutes will be posted on the DEMHRA Website.

IV. Chair's Report

- The previous Executive Director's departure was discussed. Time sheets submitted had absences that were not authorized. There were purchases made on the DEMHRA debit card that no one knew existed, and on the DEMHRA credit card for which no receipts were submitted. Numerous attempts to have the receipts sent to Falcidian, the DEMHRA accountant, went ignored by the previous Executive Director.

Mr. Crane commended Ms. Joanne Kent, Falcidian accountant for her work in investigating and compiling the report that itemized all of the items charged that did not have receipts.

Mr. Crane and Mr. Strine met with the previous Executive Director before the December 8th Board Meeting. He was told it would be in his best interest to resign. His written resignation was submitted, and he agreed that all purchases without receipts, plus the unauthorized amount of petty cash taken, would be deducted from his remaining paychecks.

- Mr. Crane had two meetings with CLASI and the DOJ Ombudsman regarding Pine Haven. The new owner purchased the property and did not register with DEMHRA. The new owner determined on his own that Pine Haven was always a campground. We asked for proof of that and none was given. CLASI and the Ombudsman are working with the new owner of Pine Haven to get everything rectified. No change in use was requested. This will be placed on the next meeting agenda for discussion.
- Pine Haven has a violation for sewage going through the park.
- Mr. Crane, the DOJ, and Mr. Malone (our own representative on our board), met to discuss an update on Paradise Cove. We are awaiting a final decision. Once the decision is received, we will discuss at the next board meeting.
- There seems to be confusion on what determines a final violation. A final violation was defined as when the fine has been paid, or the appeal has been processed and financed, or when an appeal period has passed. Once that is determined, those violations that fall under the Code relative to health and safety would result in DEMHRA being notified, knowing that a rent increase would not be possible. We will try to get the contacts at the various entities and ask them to notify DEMHRA of the health and safety violations in advance.
- In the interim of not having an Executive Director, a violation certification letter was created and approved. The letter is signed by the community owner certifying that there are no violations. The process seems to be working. Until we have a better understanding from DNREC and the other agencies involved, this is all we can do.
- Pine Haven has a violation for sewage overflow going through the park. This is an initial violation. We will monitor this. We are aware that there are other violations as well.
- The legislature is working on a bill relative to compensating board members. The draft that has been filed will allow \$100 for each board meeting the attend. This expense will be paid for by the state's general fund.

V. Executive Director's Report

- The violation certification letters must be signed and received prior to any rent increase requests being certified. Then the rent increase requests are certified and emailed to the communities within the 10-day time-frame.
- Each board member was given an updated Landlord Tenant Code booklet.
- Mr. Sutton met with Jessica Main, our accountant from Raymond F. Book & Associates. She questioned a relocation benefit in the amount of \$1,500 that was approved for a tenant, and then a \$12,000 relocation benefit request that was also approved for the same tenant at a later date. She was informed that it is not uncommon for tenants to apply for, and be approved for abandonment benefits, then change their mind and opt to apply for non-relocatable benefits. The tenant was only reimbursed the \$12,000 for non-relocation of her manufactured home.
- A Canon copier and warranty was purchased by the former Executive Director on 10/4/22. There were problems with it, so the old copier (Kyocera) was set up to use until the other was fixed. We will call Canon to repair the copier and continue to use the Kyocera until that time.

VI. Legal Counsel Report

- Delinquent Accounts: County Seat Gardens had issues with submitting their payments. Ms. Hambleton from the Division of Revenue was contacted since County Seat Gardens sent one check along with coupons for numerous quarters to our office. She asked that our office work with County Seat Gardens by informing them there should be one check written for each quarter, not one check for multiple quarters. When future demand letters are sent by our legal counsel, Ms. Rhoads, she will include specific instructions to follow for payments sent to pay the assessment fees.
- Laws MHP is no longer delinquent.
- J&J MHP was sold. No Right of First Offer letter was received by DEMHRA. Mr. Crane and Ms. Rhoads were aware of this and are working on it. Apparently, the sale was part of a 1031 exchange that excludes the requirements for a Right of First Offer. It is just a different type of transaction.

- Briarwood MHP: There was concern that DEMHRA certified a rent increase while the community had a violation; however, it could not be determined if it was a final violation. Community owners now have to complete and sign the violation certification letters so this shouldn't be an issue.
- Pine Haven Park: This will be discussed later, but generally the new owner is indicating that this is a seasonal park and not subject to Chapter 70. We can confirm there has been no change in use request. Nicole Faries, attorney representing Pine Haven has a basis for why the tenants should receive relocation benefits, that being because they have been paying into the Trust Fund. The DOJ is of the opinion that the park, to our knowledge, has always fallen under Chapter 70, and they were following the rules. A change in use is required to change the current status of the community.
- Ms. Rhoads will be meeting with Mr. Sutton to discuss who she should send letters to so that when a violation is issued so that DEMHRA will also be notified. She has already sent letters to the three counties recently requesting that DEMHRA be notified of any violations.
- Donovan-Smith MHP received a grant to rectify their sewage problem. They requested a rent increase, but there was no final violation at the time since they are working on the solution. Mr. Crane added that this item is not on the agenda and no action is required.

At this time, a motion was made and seconded to go into Executive Session at 1:54 p.m. The motion carried.

The Executive Session ended at 2:11 p.m. at which time the public meeting reconvened. Mr. Crane stated that legal matters relative to the former Executive Director were discussed, as well as a personnel matter with our current Executive Director. No votes or action needed to be taken.

VII. Approval of Financial Matters

A. Recent Financial Activity & Report (For Informational Purposes Only)

Mr. Sutton reviewed the December Financial Report. It will be posted on the DEMHRA website.

B. Approval of Legal Counsel Invoice

The December invoice in the amount of \$3,320.35

C. Approval of Other Invoices

I-Realty invoice for job posting (Executive Director) on Indeed in the amount of \$135.43

Barrett's A-1 Locksmith Service for new office door locks and keys in the amount of \$115.00

Falcidian invoice for compilation of report on unauthorized charges of previous Executive Director in the amount of \$932.81

L&W invoice to pay amount owed from a previous bill for General Liability in the amount of \$35.00

The Spanish Group invoice for translation to Spanish (December Minutes) in the amount of \$199.75

A motion was made and seconded to approve the above invoices collectively. The motion carried 5:0.

VIII. Reports

A. Compliance Matters (Executive Director)

1. Compliance Investigator Report

Mr. Crane questioned why there is not a compliance investigator from Sussex County. Mr. Sutton explained that because the large majority of communities are in Sussex County and the compliance investigator assigned to Sussex County would get the bulk of the work orders. As it stands now, the two compliance investigators get their fair share of work in all three counties. It was decided to not make any changes to the current process.

2. Community Owner Registration Update

There is no penalty for communities not returning their annual registration forms by December 31st of each year. Letters and registration forms are sent in early September to each community requesting they return them by December 31st. Last September, 175 letters were mailed to community owners, 110 were returned,

and 65 were not returned. The letter states that if they do not return the form, there could be legal costs incurred. Ms. Rhoads stated that attorney fees can be recovered if we file for an action for the delinquency. She suggested a demand letter be sent and that would probably negate any further legal action. Mr. Strine questioned why we need to pursue legal action for unreturned forms since the communities are already paying into the trust fund. Mr. Crane thought that the form is necessary as this will alert us if a community has been sold and has new owners. Also, it will provide current information on the communities. This issue will be placed on the agenda for discussion at the next meeting

3. Delinquent Parks Report

Bon Ayre is not two quarters late at this time. Parks that are two quarters late and will be referred for legal action are Forest Park, Hecker Properties, Minquadale Village, and Upcountry, and Sussex Manor (Previous owner Kamm Properties owes for quarter two of 2019).

B. Arbitration

1. Update on Status of Open Dockets

No update since last meeting

2. Arbitrator Costs

No update since last meeting.

IX. Unfinished Business

A. Update on Parks for Sale

Bay City – No change

Canterbury Crossing – No change

Country Acres – No change

J&J – Sold to Eastern Shore Property Management 10/4/22. Previously discussed.

Enchanted Acres – No change

Pine Haven MHP – Previously discussed

Peachtree MHP – DEMHRA not notified of sale

Pleasant Valley Trailer Park – Park is sold. Settlement scheduled for late January

Silver Oaks – No change

Winterset Farms – No change

B. Change in Use Update

1. Timberlane - Ongoing

2. Lynch's MHP – No update

3. Ford's MHP – Working with Attorney Nicole Faries

4. Pine Haven – Previously discussed

C. Approval of Applications:

Timberlane:

Deborah Manina, 29 Elm Tree Circle, Newark, DE 19702

Non-relocatable payment for a single-wide in the amount of \$11,650.

Maria Magdale Hernandez-Mercado & Hortensia Merado-DeHernandez

69 Cypress Tree Circle, Newark, DE 19702

Non-relocatable payment for a single-wide in the amount of \$12,000 minus \$364.00 for unpaid property taxes

David Worrell, 178 Sassafras Tree Circle, Newark, DE 19702

Non-relocatable payment for a single-wide in the amount of \$11,170.32 minus \$829.68 for unpaid property taxes

Pine Point Park:

Pine Point Park, LLC, PO Box 115, Millsboro, DE 19966-0115

Demolition payment for Lot #1, Pine Point Park in the amount of \$4,500

A motion was made and seconded to approve the above applications under the conditions that the delinquent taxes be deducted from their benefits payment. The motion carried 5:0.

D. Policies and Procedures Update

1. Article 2(10) - Compensation of Directors – Previously discussed
2. Amend Compensation Language – Previously discussed

A motion was made and seconded to delete the part in the Policies & Procedures manual addressing compensation for board members since a bill has been drafted that would allow them to be paid. The motion carried 5:0.

E. Timber Acres Refund Request

They are requesting a refund on previously paid Trust Fund assessments. They are owned by their HOA. They were asked to submit documentation supporting their request. We did not receive any documentation.

F. Law's MHP - Check Returned – Legal Counsel to Follow-up – Previously discussed

G. Paradise Cove Update – Previously discussed

X. New Business

A. New CPI-U Rate

New CPI-U rate is 6.499%, effective January 13, 2023

B. Demolition Benefit for Single Wide and Double Wide Homes (Pine Point Park)

Ms. Jensen of Pine Point Park requested consideration for an increase in her payment for demolition of a single-wide home due to rising costs in Blue Hen's removal of the home. Mr. Strine was asked to come up with a proposal for the next meeting for possible increase in demolition benefits for single and double-wide homes.

C. Penalty to Community Owners for Failing to Submit Their Annual Community Owner Registration Forms – Previously discussed

D. Violation Letter – Previously discussed

E. Update on Parks Going Through Change in Use

A spreadsheet per Mr. Crane's request was created and reviewed

F. Develop FAQ for Residents Regarding CPI-U Calculations

Mr. Sutton will work with Ms. Jen Allen on this

E. Sale of Peachtree – Previously discussed

XI. Public Comments - None

XII. Executive Session – Previously discussed

XIII. Next Meeting

The next meeting will be held on Thursday, March 2, 2023 at 1:30 P.M.

XIV. Adjournment

Public Notice (FINAL) Agenda, January 19, 2023

The meeting was adjourned at 2:45 p.m.

Pursuant to 29 Del. Code Section 10004(e)(2), this Agenda may be changed to include additional items (including executive sessions) or the deletion of items (including executive sessions) which arise at the time of the Authority's meeting. .